

Income Tax Proposed Changes

Outlined for the information and convenience of busy people who are subject to tax.

By means of the chart contained in this pamphlet the proposed changes in the law may easily be comprehended.

Send for this pamphlet, AD-23

N.W.Halsey & Co.
49 Wall Street, New York
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FINANCIAL NEWS AND COMMENT

SIGNS OF OVERSOLD CONDITION OF MARKET CHEER TRADERS AND BROKERS.

BANK POSITION IMPROVED

GOLD IMPORTS EXPECTED TO FACILITATE FINANCING OF FOREIGN GOVERNMENTS.

Wall Street is beginning to hope for better things. The general tendency of prices has been downward for so long the majority of traders had formed the habit of being pessimistic and brokers lacked confidence when they predicted more active public participation in the trading. But recently there have been signs of an oversold condition, and gradually the number of men who look for a definite turn in the tide is increasing.

One of the first requisites of a bull market is a favorable banking position. As previously pointed out in this column the associated banks of New York moved closer and closer to the point of danger until June 3, when, realizing finally the need for curtailment, they modified their policies and improvement set in.

Since June 3 the net increase in aggregate reserve of the Clearing House Association has been \$10,000,000, but loans have been reduced \$20,000,000 and deposits have fallen \$200,000,000. As a result the banking position, as indicated by the ratio of reserve to reserve requirements, is better to-day than at any previous time since April 1.

GOLD IMPORT RUMORS

A report was circulated last week that \$400,000,000 of gold would be shipped to this country by Great Britain in the next six months. If this were certain it would be a powerful bull argument in connection with the stock market. Knowing that in the last several weeks upward of \$200,000,000 of gold has been received, many men believe that it will be the full face value, especially as it was put out as "coming from authentic sources."

It would be foolish to say in these abnormal times that such a tremendous gold movement is impossible, but it may be well to note that we have heard the stories that \$400,000,000 is held as much gold as the world produces. In year, that it is almost four times the total production of gold in the United States in 1915, and that it is approximately four-fifths of the total net imports of the stock of gold in the United States from January 1, 1915, to June 1, 1916. That amount of gold would provide sufficient reserve for deposits of more than \$2,000,000,000, or about two-thirds the total net deposits of the associated banks of New York.

It would appear reasonable, therefore, to suppose, in view of the fact we do not know exactly what has happened, that the actual amount of gold received in the next six months will fall far short of the \$400,000,000 mark. It appears probable, however, that enough will be received to facilitate the additional foreign financing which is contemplated. In other words, the stock market should not be seriously handicapped by the sale of foreign Government securities.

FOREIGN HOLDINGS.

In considering the future course of the market it should not be overlooked that Europe has not sold all of the American securities she owned prior to the outbreak of hostilities, and that a large volume of these securities have been loaned temporarily with American bankers and institutions who will "feed them out" when conditions are favorable. It is conceivable that these securities could be as used as to prevent for many months any appreciable advance of prices in the New York market.

There are several possible reasons why the holders of these securities might wish to prevent a bull movement. One is that they may be negotiating for others and wish to get them on the most advantageous terms. Another is that they might believe a bull movement would absorb so much of the attention of the market that it would make difficult the sale of foreign offerings. A third is that they might believe the welfare of the country at large dictates speculative moderation so that the readjustments of prices may be accomplished with the minimum of disturbance. And still another possibility is that the nation fears a bull movement on the eve of a national election would exert an unfortunate influence upon voters.

The mere mention of these possible reasons is sufficient to show that it would be almost impossible to find a large group of men who would agree that any one of them was tenable. This suggests that unity of action on the part of the holders mentioned is improbable.

NOT A "POSITIVE" FACTOR.

On the other hand it may be taken as a near certainty that none of the large holders who have taken blocks of stock and bonds in the expectation of selling them at a profit desire a market in the market, and great care would be taken to move an advance. So it appears that foreign liquidation and distribution by those who have taken American issues in bulk will not be a positive bear factor and may not even act as a powerful brake to a bull movement should such a movement begin.

The railway wage controversy might become so serious as to overshadow all other considerations, but this is not believed probable. It is difficult to imagine the disaster of a nationwide railroad strike actually being forced upon the country, and the worst result the financial community anticipates is another compromise effected in the interest of the workmen.

The crop outlook is not so satisfactory as might be desired, but it is not so unsatisfactory as to cause alarm. Here again the wave of prosperity has been broken, but American industry is running at top speed, its underlying strength has been increased, careful plans are being made for the future, and confidence is growing. The result of the national elections will assure the financial community the protection which the government alone can give. From the financial point of view, therefore, more of sunshine than of cloud appears in the immediate horizon.

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Questions and Information Upon Request
Gude, Winmill & Co.
Members New York Stock Exchange
20 Broad St., N.Y. Tel. Rector 5850

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J. FRANK HOWELL
52 BROADWAY NEW YORK

TRANSACTIONS FOR THE WEEK.

Railroad and Other Shares.

The following table gives, in addition to the sales for the past week and range of stocks on the New York Stock Exchange, their dividend yields calculated on the closing sale or bid prices on Friday nights.

DIV. YIELD.

WEEK ENDED JULY 22.

Sales. High. Low. Closing. Change. Highest. Lowest.

Stocks. Sales. High. Low. Closing. Change. Highest. Lowest.

— Acme Tea 600 525g 521g 521g July 7 58¢ June 29 58¢

— Acme Tea in pf. 100 90¢ 96 96¢+ 14 June 29 97½ Jan 1 97½

4 38 Adams Express. 3 151g 171g 151g+ 14 Apr 10 14½ Mar 11 13½

— Advance Rumely. 3 151g 171g 151g+ 14 Apr 10 21½ Mar 11 21

— Alaska Gold. 30 1½ 17½ 17½+ 14 Jan 1 20½ July 5 15½

— Alaska Juniper. 12 1½ 17½ 17½+ 14 Jan 1 20½ July 5 15½

— Allis Chalmers Mfg. 60 9½ 10½ 10½+ 14 Mar 18 9½ July 18 10½

— Am. Bank Note. 400 41 40 41+ 14 July 18 5½ July 18 5½

— Am. Bank Note pf. 100 90½ 96 96½+ 14 June 29 96½ Feb 1 96½

— Am. Beet Sugar. 300 90½ 96 96½+ 14 June 29 96½ Feb 1 96½

— Am. Brew. Supr. 100 90½ 96 96½+ 14 June 29 96½ Feb 1 96½

— Am. Can. Chem. pf. 700 1 1½ 1½+ 14 Jan 1 10½ July 18 10½

— Am. Brake et al. 100 90½ 96 96½+ 14 Jan 1 10½ July 18 10½

— Am. Can. Co. 300 7½ 8½ 8½+ 14 Jan 1 10½ July 18 10½

— Am. Can. Co. pf. 300 10½ 10½ 10½+ 14 Jan 1 10½ July 18 10½

— Am. Coton Oil. 100 54 58½ 58½+ 14 Mar 18 54 June 29 11½ July 18 11½

— Am. Cut Off. 100 90½ 96 96½+ 14 Mar 18 96½ June 29 10½ July 18 10½

— Am. Express. 4 48 50 50+ 14 Jan 1 10½ July 18 10½

— Am. Hide & Leather. 100 110 116 116+ 14 Jan 1 12½ July 18 12½

— Am. Ice Secur. 200 19½ 17½ 17½+ 14 Feb 1 21½ July 18 21½

— Am. Linedex. 100 14½ 13½ 13½+ 14 Jan 1 17½ July 18 17½

— Am. Linedex pf. 100 45 42 42+ 14 Jan 1 17½ July 18 17½

— Am. Locomotive. 700 100 100 100+ 14 Mar 18 100 June 29 11½ July 18 11½

— Am. Malt Corp. 100 100 100 100+ 14 Mar 18 100 June 29 11½ July 18 11½

— Am. Malt Corp. pf. 100 35½ 37½ 37½+ 14 Mar 18 100 June 29 11½ July 18 11½

— Am. Smetting. 100 90½ 96 96½+ 14 Jan 1 11½ July 18 11½

— Am. Smetting Sec A. 700 93½ 93 93+ 14 June 16 9½ July 18 9½

— Am. Smetting Sec B. 700 93½ 93 93+ 14 June 16 9½ July 18 9½

— Am. Stock. 600 143 137½ 143+ 14 Jan 1 14½ July 18 14½

— Am. Woolens. 100 44½ 48 48+ 14 Jan 1 14½ July 18 14½

— Am. Woolens pf. 100 44½ 48 48+ 14 Jan 1 14½ July 18 14½

— Am. Zinc. 100 10½ 12½ 12½+ 14 Jan 1 12½ July 18 12½

— Am. Zinc Paper. 100 10½ 12½ 12½+ 14 Jan 1 12½ July 18 12½

— American Zinc. 100 10½ 12½ 12½+ 14 Jan 1 12½ July 18 12½

— American Zinc pf. 100 10½ 12½ 12½+ 14 Jan 1 12½ July 18 12½

— Anaconda. 100 7½ 7½ 7½+ 14 Jan 1 12½ July 18 12½

— Assets Realization. 5 8½ 8½ 8½+ 14 Jan 1 12½ July 18 12½

— Atch T & S F. 5 7½ 8½ 8½+ 14 Jan 1 12½ July 18 12½

— Atch T & S F. pf. 100 90 95 95+ 14 Jan 1 12½ July 18 12½

— Atch T & S F. pf. 100 90 95 95+ 14 Jan 1 12½ July 18 12½

— Atch T & S F. pf. 100 90 95 95+ 14 Jan 1 12½ July 18 12½

— Baldwin Locom. 700 65 67½ 67½+ 14 Jan 1 12½ July 18 12½

— Baldwin Locom. pf. 700 65 67½ 67½+ 14 Jan 1 12½ July 18 12½

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